

## BILL ANALYSIS

Senate Research Center

S.B. 7  
By: Ratliff  
Education  
8-18-93  
Enrolled

### BACKGROUND

Texas' method of financing its public school system has been challenged in recent years on the grounds that it unfairly discriminates against students in property poor districts. The Texas Supreme Court, in a series of opinions, has declared Texas' school finance system unconstitutional and has ordered the state to devise a new funding plan. The most recent Supreme Court decision gave the Texas Legislature until June 1, 1993, to enact the new plan. State District Judge Scott McCown, in whose court the lawsuit originated, issued an order on January 11, 1993, to prohibit the comptroller of public accounts from sending funds to the state's school districts if the legislature failed to enact a plan by the Supreme Court's deadline.

### PURPOSE

As enrolled, S.B. 7 provides for the equitable funding of Texas' public school system.

### RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is granted to the commissioner of education under ARTICLE 1, SECTION 1 (Section 36.006, Education Code), ARTICLE 3, SECTION 3.04 (Sections 21.562(b) and 21.563(c), Education Code) and ARTICLE 3, SECTION 7.01 (Sections 35.042(a), (b), and (d) and 35.043(c), Education Code) and to the State Board of Education under ARTICLE 5, SECTION 5.01 (Sections 13.914(d) and 35.02(a), Education Code) and ARTICLE 5, SECTION 7.01 (Sections 35.027(b) and (c), 35.033(e), and 35.042(e), Education Code) of this bill.

### SECTION BY SECTION ANALYSIS

#### ARTICLE 1

SECTION 1. Amends Title 2, Education Code, by adding Chapter 36, as follows:

#### CHAPTER 36. EQUALIZED WEALTH LEVEL SUBCHAPTER A. GENERAL PROVISIONS

Sec. 36.001. DEFINITIONS. Defines "equalized wealth level," "wealth per student," and "weighted average daily attendance."

Sec. 36.002. EQUALIZED WEALTH LEVEL. (a) Prohibits a school district, except as provided by Subsections (b) and (c), from having a wealth per student that exceeds \$280,000.

(b) Provides that a district's wealth per student in the 1993-1994 school year may not be less than the amount needed to maintain the amount of state and local revenue per weighted student for maintenance and operation (M&O) of the district for the 1992-1993 school year if the district imposes an effective tax rate for M&O equal to the greater of the district's current tax rate or \$1.375 on the \$100 valuation of taxable property.

(c) Provides that a district's wealth per student in the 1994-1995 and 1995-1996 school years may not be less than the amount needed to maintain the amount of state and local revenue per weighted student for maintenance and operation (M&O) of the district for

the 1992-1993 school year if the district imposes an effective tax rate for M&O equal to the greater of the district's current tax rate or \$1.50 on the \$100 valuation of taxable property.

(d) Provides the formula for determining a district's effective tax rate for the purposes of Subsections (b) and (c).

**Sec. 36.003. OPTIONS TO ACHIEVE EQUALIZED WEALTH LEVEL.** Authorizes a district with a wealth per student that exceeds the equalized wealth level to make any combination of five specified actions to achieve the equalized wealth.

**Sec. 36.004. ANNUAL REVIEW OF PROPERTY WEALTH.** (a) Requires the commissioner of education (commissioner), not later than July 15 of each year, to review the wealth per student of school districts in the state and notify each district with wealth per student exceeding the equalized wealth level; each district to which the commissioner proposes to annex property; and each district to which the commissioner proposes to consolidate a district.

(b) Requires the commissioner, if before the dates provided by this subsection a district notified under Subsection (a)(1) has not successfully reduced its wealth per student, to order the detachment of property from that district. Provides that the commissioner is required to consolidate districts if the detachment of property from a district will not reduce that district's wealth per student to the equalized level. Requires an agreement to detach or consolidate to be executed not later than September 1 immediately following a notification by the commissioner. Requires an election to approve another of the specified options under Section 36.003 to be ordered before September 1 immediately following the commissioner's notice.

(c) Prohibits a district notified under Subsection (a) from adopting a tax rate for the tax year in which the district receives the notice until the commissioner certifies that the district has achieved the equalized wealth level.

(d) Provides that a detachment and annexation or consolidation under this chapter is effective for foundation school program funding purposes for the school year that begins in the calendar year in which the detachment annexation or consolidation is agreed to or ordered and applies to the ad valorem taxation of property beginning with the tax year in which the agreement or order is effective.

**Sec. 36.005. COMPTROLLER AND APPRAISAL DISTRICT COOPERATION.** Requires the chief appraiser of each appraisal district and the comptroller to cooperate with the commissioner and school districts in implementing this chapter.

**Sec. 36.006. RULES.** (a) Authorizes the commissioner to adopt rules necessary for the implementation of this chapter. Provides that the rules may allow the commissioner to make necessary adjustments to the provisions of Chapter 16.

(b) Authorizes the commissioner to modify effective dates and time periods for actions described by this chapter as necessary for the effective and efficient administration of this chapter.

**Sec. 36.007. COMMISSIONER TO APPROVE SUBSEQUENT BOUNDARY CHANGES.** Provides that a district that is involved in an action under this chapter that results in boundary changes to the district or in the consolidation of tax bases is subject to consolidation, detachment, or annexation under Chapter 19 only if the commissioner certifies that the change will not result in a district with a wealth per student that exceeds the equalized wealth level.

**Sec. 36.0075. HOMESTEAD EXEMPTIONS.** (a) Authorizes homestead exemptions.

(b) Provides that this section prevails over any inconsistent provision.

**Sec. 36.008. TAX ABATEMENTS.** (a) Provides that a tax abatement agreement executed by a school district that is involved in consolidation or in detachment and annexation of territory under this chapter is not affected and applies to the taxation of the property covered by the agreement as if executed by the district within which the property is included.

(b) Requires the commissioner to determine the wealth per student of a school district under this chapter as if any tax abatement agreement executed by a school district on or after May 31, 1993, had not been executed.

**Sec. 36.0085. TAX INCREMENT OBLIGATIONS.** Provides that the payment of tax increments under the Tax Code is not affected by the consolidation of territory or tax bases or by annexation under this chapter. Provides for the retention of a tax increment by a district which has assumed taxing authority on a property.

**Sec. 36.009. CONTINGENCY.** (a) Provides that a district is entitled to exercise any remaining valid options if one or more options are found unconstitutional by a court.

(b) Requires the commissioner to act to achieve equalized wealth level only after notice and hearing is afforded to each school district affected by a court order which holds each of the five options under Section 36.003 invalid. Requires the commissioner to adopt a plan that least disrupts the affected school districts. Requires the commissioner, if the exigency to adopt a plan prevents the commissioner from giving a reasonable time for notice and hearing, to timely give notice and hold a hearing within 30 days of the date of the notice.

(c) Requires any amount ordered refunded to a district by a court after a finding that an option under Section 36.003 is invalid to be refunded but held in reserve and remain unexpended until released by order of the commissioner. Requires the commissioner to order the release on the determination that the district has achieved the equalized wealth level. Requires the amount released to be deducted from any state aid payable to the district according to a schedule adopted by the commissioner.

**Sec. 36.010. DATE OF ELECTIONS.** Requires an election under this chapter for voter approval of an agreement entered by the board of trustees to be held on a Tuesday or Saturday within 45 days after the date of the agreement. Provides that Section 41.001, Election Code, does not apply to the election.

**Sec. 36.011. PROCEDURE.** (a) Provides that a decision of the commissioner under this chapter is appealable, except as provided by Subchapter G.

(b) Requires any order of the commissioner under this chapter to be given immediate effect and prohibits it from being stayed or enjoined pending appeal.

(c) Provides that the Administrative Procedure and Texas Register Act does not apply to a decision of the commissioner under this chapter.

(d) Requires the secretary of state, on the request of the commissioner, to publish any rules adopted under this chapter in the Texas Register and the Texas Administrative Code.

#### **SUBCHAPTER B. CONSOLIDATION BY AGREEMENT**

**Sec. 36.031. AGREEMENT.** Authorizes the governing boards of any two or more school districts to consolidate the districts by agreement to establish a consolidated district with a wealth per student equal to or less than the equalized wealth level. Provides that the agreement is not effective unless the commissioner certifies that the consolidated district will have a wealth per student equal to or less than the equalized wealth level.

**Sec. 36.032. GOVERNING LAW.** Provides that the consolidated district is governed by

the applicable provisions of Chapter 19C, except to the extent modified by the terms of the agreement. Provides that districts that are consolidated under this section are not subject to the requirement that consolidating districts be contiguous. Provides that the agreement may not be inconsistent with the requirements of this subchapter.

**Sec. 36.033. GOVERNANCE PLAN.** (a) Provides that the agreement among the consolidating districts may include a governance plan designed to preserve community-based and site-based decision making within the consolidated district, including the delegation of specific powers of the governing board of the district other than the power to levy taxes.

(b) Authorizes the governance plan to provide for a transitional board of trustees during the first year after consolidation, but requires that trustees be elected beginning the next year from within the boundaries of the consolidated district from single-member districts.

**Sec. 36.034. INCENTIVE AID.** (a) Requires the commissioner, for the first two school years after creation of a consolidated district under this subchapter, to adjust allotments to the consolidated districts to the extent necessary to preserve the effects of an adjustment to which either of the consolidating districts would have been entitled but for the consolidation.

(b) Provides that a district receiving incentive aid payments under this section is not entitled to incentive aid under Chapter 23G.

#### **SUBCHAPTER C. DETACHMENT AND ANNEXATION BY AGREEMENT**

**Sec. 36.061. AGREEMENT.** (a) Provides that territory may be detached from one district and annexed to another district by agreement of the governing board of the two districts if the requirements for equalized wealth per student are met.

(b) Provides that the agreement is not effective unless the commissioner certifies that the wealth per student will be equal to or less than the applicable level permitted by Subsection (a).

**Sec. 36.062. GOVERNING LAW.** Provides that a detachment and annexation is governed by Chapter 19, except to the extent of any conflict with this chapter and except for any requirement that detached property be annexed to a school district that is contiguous to the detached territory.

**Sec. 36.063. ALLOCATION OF APPRAISED VALUE OF DIVIDED UNIT.** Provides for the allocation of the appraised value of a divided unit of property.

**Sec. 36.064. ALLOCATION OF INDEBTEDNESS.** Provides for the allocation of indebtedness for detached territory.

**Sec. 36.065. NOTICE.** Requires the districts, as soon as practicable after the agreement is executed, to notify each affected property owner and the appraisal district in which the affected property is located.

#### **SUBCHAPTER D. PURCHASE OF ATTENDANCE CREDIT**

**Sec. 36.091. AGREEMENT.** Authorizes a district with a wealth per student that exceeds the equalized wealth level to execute an agreement with the commissioner to purchase attendance credits in an amount sufficient, in combination with any other actions taken under this chapter, to reduce the district's wealth per student to a level that is equal to or less than the equalized wealth level.

**Sec. 36.092. CREDIT.** (a) Provides that the weighted average daily attendance of a district is increased by one student for every credit the district purchases for purposes of

determining whether the district exceeds the equalized wealth level.

(b) Provides that a credit is not used in determining a district's scholastic population, average daily attendance, or weighted average daily attendance for purposes of Chapter 15 or 16.

Sec. 36.093. **COST.** Provides the formula for determining the cost of each credit.

Sec. 36.094. **PAYMENT.** (a) Requires a district to pay for credits purchased in accordance with a schedule adopted by the commissioner, with all payments being made no later than February 15 of the school year for which the agreement is in effect.

(b) Requires receipts to be deposited in the state treasury and used only for foundation school program purposes.

Sec. 36.095. **DURATION.** Provides that an agreement under this section is valid for one year and may be renewed annually, subject to Section 36.096.

Sec. 36.096. **VOTER APPROVAL.** (a) Requires a board of trustees, after executing an agreement under this section, to order and conduct an election to obtain voter approval of the agreement.

(b) Sets forth the required language for the ballot.

(c) Provides that the proposition is approved if it receives a favorable vote of a majority of the votes cast. Provides that approval of the proposition ratifies the agreement and authorizes the board to continue executing agreements under this subchapter on behalf of the district without further voter approval.

#### **SUBCHAPTER E. CONTRACT FOR EDUCATION OF NONRESIDENT STUDENTS**

Sec. 36.121. **AGREEMENT.** Authorizes the board of trustees of a district with a wealth per student that exceeds the equalized wealth level to execute an agreement to educate the students of another district in a number that, when the weighted average daily attendance (WADA) of the students served is added to the WADA of the contracting district, is sufficient to reduce the district's wealth per student to the required level. Provides that the agreement is not effective unless the commissioner makes certain certifications.

Sec. 36.122. **VOTER APPROVAL** (a) Requires a board of trustees, after executing an agreement under this section, to order and conduct an election to obtain voter approval of the agreement.

(b) Sets forth the required language for the ballot.

(c) Provides that the proposition is approved if it receives a favorable vote of a majority of the votes cast. Provides that approval of the proposition ratifies the agreement and authorizes the board to continue executing agreements under this subchapter on behalf of the district without further voter approval.

Sec. 36.123. **WADA COUNT.** Provides that, for purposes of Chapter 16, students served under an agreement under this subchapter are counted only in the WADA of the district providing the service.

#### **SUBCHAPTER F. TAX BASE CONSOLIDATION**

Sec. 36.151. **AGREEMENT.** Authorizes the board of trustees of two or more districts to execute an agreement to conduct an election on the creation of a consolidated taxing district for the maintenance and operation of the component school districts. Provides that the agreement is subject to approval by the commissioner and is not effective unless the

commissioner certifies that the consolidated district will have a wealth per student equal to or less than the mandated level after all actions taken under this chapter.

**Sec. 36.152. DATE OF ELECTION.** Requires any agreement under this subchapter to provide for the ordering of an election to be held on the same date in each district.

**Sec. 36.153. PROPOSITION.** (a) Provides the language for the ballot proposition.

(b) Prohibits the tax rate to be included in the proposition from exceeding the maximum rate provided by law for independent school districts.

**Sec. 36.154. APPROVAL.** Provides that the proposition is approved only if it receives a favorable vote of the majority of the votes cast within each participating district.

**Sec. 36.155. CONSOLIDATED TAXING DISTRICT.** Provides that a consolidated taxing district is a school district established for the limited purpose of exercising the taxing power granted by the Texas Constitution and distributing the revenue to its component school districts.

**Sec. 36.156. GOVERNANCE.** (a) Provides that the consolidated taxing district is governed by the boards of the component school districts acting jointly.

(b) Requires any action taken by the joint board to receive a favorable vote of a majority of each component district's board of trustees.

**Sec. 36.157. MAINTENANCE TAX.** (a) Requires the joint board to levy a maintenance tax for the benefit of the component school districts not later than September 1 of each year or as soon thereafter as practicable.

(b) Requires each component district to bear a share of the costs of assessing and collecting taxes in proportion to the component district's share of WADA in the consolidated taxing district.

(c) Prohibits a component district from levying an ad valorem tax for the maintenance and operation of the schools.

(d) Authorizes the consolidated taxing district, notwithstanding Sections 20.04 and 20.09, to levy, assess, and collect a maintenance tax for the benefit of the component districts at a rate that exceeds \$1.50 to the extent necessary to pay contracted obligations on the lease purchase of permanent improvements to real property entered into on or before May 12, 1993. Requires the proposition to impose taxes at the necessary rate to be submitted to the voters in the manner provided by Section 20.04.

**Sec. 36.158. REVENUE DISTRIBUTION.** Requires the consolidated taxing district to distribute maintenance tax revenue to the component districts on the basis of the number of WADA in the component districts.

**Sec. 36.159. TAXES OF COMPONENT DISTRICTS.** (a) Provides that the governing board of a component district of a consolidated taxing district that has consolidated for maintenance and operation purposes only may issue bonds and levy, pledge, and collect ad valorem taxes within that component district sufficient to pay the principal of and interest on those bonds as provided by Chapter 20.

(b) Provides that a component district levying an ad valorem tax under this section or Section 34.160(b) is entitled to the guaranteed yield provided by Chapter 16H for that portion of its tax rate that, when added to the maintenance tax levied by the consolidated taxing unit, does not exceed the limitation provided by Section 16.303.

**Sec. 36.160. OPTIONAL TOTAL TAX BASE CONSOLIDATION.** (a) Authorizes total tax base consolidation through an agreement under Section 36.151.

(b) and (c) Set forth factors relating to an agreement for total tax base consolidation.

#### SUBCHAPTER G. DETACHMENT AND ANNEXATION BY COMMISSIONER OF EDUCATION

Sec. 36.201. DEFINITION. Defines "mineral property."

Sec. 36.202. DETERMINATION OF TAXABLE VALUE. Provides the formula for determining the taxable value of an item of property for the purposes of this subchapter.

Sec. 36.203. PROPERTY SUBJECT TO DETACHMENT AND ANNEXATION. (a) Provides that only mineral property and certain real industrial and commercial property may be detached and annexed under this subchapter.

(b) Provides that the detachment and annexation of mineral property under this subchapter includes the surface estate and each other interest in the land covered by the mineral interest, or a final judgment of a court determines that a mineral interest may not be annexed and detached as provided by this subchapter without an attendant annexation and detachment of the surface estate or any other interest in the same land.

Sec. 36.204. TAXATION OF PERSONAL PROPERTY. Provides that personal property having a taxable situs at the same location as real property detached and annexed under this subchapter is taxable by the school district to which the real property is attached.

Sec. 36.205. DETACHMENT OF PROPERTY. (a) Requires the commissioner to detach property under this section from each district from which the commissioner is required under Section 36.004 to detach property under this subchapter.

(b) Requires the commissioner to detach from each district covered by Subsection (a) one or more whole parcels or items of property in descending order of the taxable value of each parcel or item, beginning with the parcel or item having the greatest taxable value, until the district's wealth per student reaches the mandated equalized level.

(c) Requires the commissioner to detach property in a manner that results in a wealth per student that is equal to or less than the equalized wealth level by not more than \$10,000.

(d) Requires certain factors to be present for the commissioner to detach only a *portion* of a parcel or item of property.

Sec. 36.206. ANNEXATION OF PROPERTY. (a) Requires the commissioner to annex property detached under Section 36.205 to districts eligible for annexation in accordance with this section. Provides that a district is eligible for annexation of property to it under this subchapter only if the district's wealth per student is less than the greatest level for which funds are provided under Chapter 16H.

(b) Provides that property may be annexed to a district without regard to whether the property is contiguous to other property in the district.

(c) Requires the commissioner to annex property detached from districts beginning with the property detached from the district with the greatest wealth per student before detachment and continuing with the property detached from each other school district in descending order of the district's wealth per student before detachment.

(d) Requires the commissioner to annex the parcels or items of property detached from a district to other districts that are eligible for annexation of property in descending order of the taxable value of each parcel or item according to certain specified priorities.

(e) Requires the commissioner, if the districts identified by Subsection (d) for a district are insufficient to annex all the property detached from the district, to increase the

maximum difference in tax rates allowed under Subsection (d) until the districts are identified that are sufficient to annex all the property detached from the district.

(f) Requires the commissioner, if only one district is eligible to annex property from a district within a priority group established by Subsections (d) and (e), to annex property to that district until it reaches a wealth per student equal as nearly as possible to the greatest level for which funds are provided under Chapter 16H, by annexing whole parcels or items of property. Requires any remaining property to be annexed to eligible school districts in the next priority group as provided by this section.

(g) Provides the method for annexing property when more than one district is eligible to annex property detached from a district within a priority group.

(h) Provides, for purposes of this section, that a portion of a parcel or item of property detached in that subdivided form from a school district is treated as a whole parcel or item of property.

(i) Provides that the commissioner may order annexation of a portion of a parcel or item of property in certain instances.

(j) Authorizes the commissioner to modify the priorities established by this section as the commissioner considers reasonable to minimize or reduce certain factors.

(k) Provides that, for purposes of this section, a district is assigned to a county if the district is assigned to that county in the 1992-1993 Texas School Directory published by the Central Education Agency.

**Sec. 36.207. LIMITATIONS ON DETACHMENT AND ANNEXATION.** Provides that the commissioner may detach and annex property under this subchapter only if certain conditions are met.

**Sec. 36.208. ORDERS AND NOTICE.** (a) Requires the commissioner to order any detachments and annexations of property under this subchapter not later than November 8 of each year.

(b) Requires the commissioner, as soon as practicable after issuing the order under Subsection (a), to notify each affected school district and the appraisal district in which the affected property is located of the determination.

**Sec. 36.209. TREATMENT OF SUBDIVIDED PROPERTY.** (a) Requires an order detaching or annexing a portion of a parcel or item of property to specify the portion of the taxable value to be detached or annexed and provides that the order may describe the specific area of the parcel or item to be detached or annexed.

(b) Requires the commissioner, if the order detaching or annexing a portion of a parcel or item of property does not describe the specific area of parcel or item to be detached or annexed, to determine the specific area to be detached or annexed and to certify that determination to the appraisal district for the county in which the property is located.

(c) Provides the method for apportioning the taxable value of a parcel or item of property which is located in two or more school districts as a result of a detachment or annexation.

**Sec. 36.210. DUTIES OF CHIEF APPRAISER.** (a) Requires the chief appraiser of each appraisal district to cooperate with the commissioner in administering this subchapter. Provides that the commissioner may require the chief appraiser to submit any reports or provide any information available to the chief appraiser in the form and at the times required by the commissioner.

(b) Requires the chief appraiser for a school district from which property is detached,



as soon as practicable after the detachment and annexation of property, to send a written notice of the action to the owner of any property taxable in a different district as a result of the action. Requires the notice to include the name of the district by which the property is taxable after the detachment and annexation.

(c) Authorizes the commissioner to reimburse an appraisal district for any costs incurred in administering this subchapter and to condition the reimbursement or the amount of the reimbursement on the timely submission of reports or information required by the commissioner or the satisfactory performance of any other action required or requested by the commissioner.

Sec. 36.211. **STUDENT ATTENDANCE.** Provides that a student who is a resident of real property detached from a district may choose to attend school in that district or in the district to which the property is attached. Requires the student to be counted in the district to which the property is annexed for purposes of determining average daily attendance. Requires the state to allocate to the district in which the student is attending school any foundation school funds and the amount of funds equal to the difference between the state funds the district is receiving for the student and the district's cost in educating the student.

Sec. 36.212. **BOND TAXES.** Provides that property detached from a district is released from the obligation for any tax to pay principal and interest on bonds authorized by the district before detachment. Provides that the property is subject to any tax to pay principal and interest on bonds authorized by the district before or after annexation.

Sec. 36.213. **DETERMINATION BY COMMISSIONER FINAL.** Provides that a decision or determination by the commissioner under this subchapter is final and not appealable.

#### **SUBCHAPTER H. CONSOLIDATION BY COMMISSIONER OF EDUCATION**

Sec. 36.251. **COMMISSIONER ORDER.** Provides that this subchapter governs a consolidation ordered by the commissioner under Section 36.004. Provides that the commissioner's order is effective on a date determined by the commissioner but not later than the earliest practicable date after November 8.

Sec. 36.252. **SELECTION CRITERIA.** (a) Requires the commissioner, in selecting the districts to be consolidated with a district that has a property wealth greater than the equalized wealth level, to select one or more districts that will result in a consolidated district with a wealth per student equal to or less than the mandated equalized level. Requires the commissioner, in achieving that result, to give priority to districts in a specified order.

(b) Prohibits the commissioner from selecting a district that has been created as a result of consolidation by agreement under Subchapter B to be consolidated with a district that has a property wealth greater than the mandated level.

(c) Requires the commissioner, in applying the selection criteria when more than two districts are to be consolidated, to select the third and each subsequent district to be consolidated by treating the district that has a property wealth greater than the equalized wealth level and the district or districts previously selected for consolidation as one district.

Sec. 36.253. **GOVERNANCE.** Provides for governance of a consolidated district by a board of trustees.

Sec. 36.254. **DISSOLUTION OF CONSOLIDATED DISTRICT.** (a) Provides for the dissolution of a consolidated district created under this subchapter if the legislature abolishes ad valorem taxes for public school maintenance and operations and adopts another method of financing public education.

(b) Provides for the restoration of each of the former districts of a dissolved consolidated district.

(c) Provides that title to real property of a consolidated district is allocated to the restored district in which the property is located. Provides that title to proportionate shares of the fund balances and personal property of the consolidated district are allocated to each restored district.

(d) Sets forth the liabilities of each restored district.

(e) Provides for the determination of a restored district's proportionate share of fund balances, personal property, or indebtedness.

**Sec. 36.255. FUND BALANCES.** Provides that fund balances of a district consolidated under this subchapter may be used only for the benefit of the schools within the district that generated the funds.

**Sec. 36.256. EMPLOYMENT CONTRACTS.** Requires a consolidated district to honor an employment contract entered into by a consolidating district.

**Sec. 36.257. APPLICATION OF SMALL AND SPARSE ADJUSTMENTS AND TRANSPORTATION ALLOTMENT.** Requires the budget of the consolidated district to apply the benefit of the adjustment or allotment to the schools of the consolidating district to which it would have applied in the event that the consolidated district still qualifies as a small or sparse district.

**SECTION 1.02.** (a) Amends Section 18.03(a), Education Code, to prohibit the adoption of a county-unit system after May 1, 1993, and to provide that a system purportedly created after that date is dissolved September 1, 1993. Provides that this subsection does not affect the existence or operation of a county-unit system adopted before that date.

(b) Repealer: Sections 18.04, 18.21, 18.22, 18.23, 18.24, and 18.31, Education Code (relating to county unit system taxes).

**SECTION 1.03.** (a) Provides that this section applies to actions in 1993 to achieve the equalized wealth level, notwithstanding any provision of Chapter 36, Education Code, as added by this Act.

(b) Requires the commissioner to make the determinations of wealth per student not later than August 30, 1993, using wealth and weighted student data either from the current year or the preceding school year. Requires the commissioner to immediately notify each district that exceeds the equalized wealth level and each district with which the commissioner intends to consolidate that district under Chapter 36G, Education Code, as added by this Act.

(c) Provides for the detachment of territory by the commissioner from a district that fails to exercise one or more options under this Act by October 19, 1993. Requires the commissioner to order the consolidation of that district if detachment will not reduce the district's equalized wealth to the mandated level.

**SECTION 1.04.** Provides that this article takes effect immediately.

## ARTICLE 2

**SECTION 2.01.** Provides that Chapter 16, Education Code, is reenacted and amended to read as follows:

### CHAPTER 16. FOUNDATION SCHOOL PROGRAM SUBCHAPTER A. GENERAL PROVISIONS

**Sec. 16.006. AVERAGE DAILY ATTENDANCE.** (a) Provides a new formula for

determining the average daily attendance beginning with the 1995-1996 school year.

(c) Makes a conforming change.

Sec. 16.007. PUBLIC EDUCATION INFORMATION MANAGEMENT SYSTEM (PEIMS). (a) Makes a conforming change by deleting a reference to county education districts (CEDs).

(c) Requires the commissioner to annually review PEIMS and repeal or amend rules that require districts to provide information through PEIMS that is not necessary or useful. Requires the commissioner, in reviewing and revising PEIMS, to develop rules to ensure that the system provides useful, accurate, and timely information on student demographics and academic performance, personnel, and school district finances. Makes a conforming change by deleting requirements relating to CEDs.

Sec. 16.008. EQUALIZED FUNDING ELEMENTS. Makes a nonsubstantive change.

Deletes Sections 16.009 (REVENUE LIMIT, 16.010 (DEFINITION), and 16.011 (NOTICE OF YIELDS TO BE PUBLISHED).

#### SUBCHAPTER B. REQUIREMENTS FOR DISTRICT PARTICIPATION IN THE FOUNDATION SCHOOL PROGRAM FUND

Sec. 16.052. OPERATION OF SCHOOLS; TEACHER PREPARATION AND STAFF DEVELOPMENT. (e) As added, requires the staff development required by this section to be predominantly campus-based, for the purpose of improving student achievement, and planned with the involvement of the campus school committee established under Section 21.931 of this code. Provides that campus staff development and campus staff development activities may include certain factors and components.

Deletes Sec. 16.057. CAREER LADDER SALARY SUPPLEMENT.

#### SUBCHAPTER C. BASIC ENTITLEMENT

Sec. 16.101. BASIC ALLOTMENT. Provides that the basic allotment is \$2,300 per student or a different amount adopted by the school fund budget committee. Makes conforming and nonsubstantive changes.

Sec. 16.102. COST OF EDUCATION ADJUSTMENT. Makes conforming changes. Requires the school fund budget committee, beginning with the 1995-1996 school year, to determine the cost of education adjustment.

Sec. 16.103. SMALL DISTRICT ADJUSTMENT. Replaces references to average daily attendance with basic allotment.

Sec. 16.1031. USE OF SMALL DISTRICT ADJUSTMENT IN CALCULATING SPECIAL ALLOTMENTS. Deletes language providing that this section expires September 1, 1993.

Sec. 16.104. SPARSITY ADJUSTMENT. Deletes language providing that this section expires September 1, 1993.

#### SUBCHAPTER D. SPECIAL ALLOTMENTS

Sec. 16.151. SPECIAL EDUCATION. (a) Amends the weights for determining the annual allotment for each student in average daily attendance in a special education program.

(b) Makes a conforming change.

(c) Requires the combination of several special education programs into a single off home campus instructional arrangement, beginning with the 1995-1996 school year.

(d) Provides for the credit of contact hours for funding purposes.

(e) Requires the State Board of Education, in prescribing qualifications that a mainstream instructional arrangement must meet, to establish requirements that students with disabilities and their teachers receive the services that are necessary to enrich the regular classroom and enable student success.

(j) Deletes language relating to the provision by the Central Education Agency of transitional support services for certain special education instructional arrangements.

(k) Authorizes the commissioner to reduce a district's special education allowance to the level to which the district would be entitled if the district's ratio was not more than 25 percent higher than the statewide average ratio. Makes conforming changes.

(l) Provides for funding for a school district that provides an extended year program for special education students.

(m) Provides for funding, not to exceed \$2 million in the 1994-1995 biennium, for programs under Section 21.513.

**Sec. 16.152. COMPENSATORY EDUCATION ALLOTMENT.** (f) Makes a conforming change.

(j) Makes a conforming change.

(k) Reletters existing Subsection (j).

(l) Reletters and makes a conforming change.

(m) Reletters and makes conforming changes.

(n) Provides for additional funding for districts that incur unanticipated expenditures resulting from a significant increase in the enrollment of nonhandicapped students who reside in residential placement facilities.

(o) Provides for certain reductions in a district's allotment.

**Sec. 16.155. VOCATIONAL EDUCATION ALLOTMENT.** (f) Reletters existing Subsection (h) and makes conforming changes.

**Sec. 16.156. TRANSPORTATION ALLOTMENT.** (e) Makes a nonsubstantive change.

**Sec. 16.158. New title: TEACHER COMPENSATION ALLOTMENT.** (a) Replaces references to the career ladder with teacher compensation.

(b) Provides that an allotment under this subsection may be used only to pay the salaries of teachers who were entitled to career ladder supplements, except as provided by Subsection (d).

Deletes existing Subsection (c).

(c) Previous Subsection (d).

(d) Requires a district to use any excess funds from an allotment under this section to supplement other teachers who were not entitled to career ladder supplements.

**Sec. 16.159. GIFTED AND TALENTED STUDENT ALLOTMENT.** (d) Makes a conforming change.

#### **SUBCHAPTER F. ACCOUNTABLE COSTS OF EDUCATION**

Deletes Sec. 16.202 (STUDIES), Sec. 16.203 (PROCEDURES), and Sec. 16.204 (NAVAL MILITARY FACILITY IMPACT).

Sec. 16.205. LIMIT ON ADMINISTRATIVE COSTS. (a) Requires the commissioner to annually make certain determinations relating to districts' administrative costs.

(b) Authorizes the commissioner to adjust the administrative cost ratio of a district to allow for additional administrative costs required by the sparsity of the district or students with special needs.

(c) Sets forth a schedule and requirements to control districts' administrative costs.

(d) Authorizes the commissioner to withhold tier one allotments equal to the amount by which a district's administrative costs exceed the mandated level.

(e) Authorizes the commissioner to grant a waiver to a district that exceeds its administrative costs ratio if the excess is justified by unusual circumstances.

(f) Requires a district to include a statement of any amount withheld or remitted under Subsection (d) in the district report card required by Section 35.042.

(g) Defines "administrative costs ratio," "administrative costs," "instructional costs," and "adjusted group standard."

Deletes existing Sec. 16.205 (EFFICIENCY IN ADMINISTRATION REPORT) and Sec. 16.206 (COST ADJUSTMENTS).

#### SUBCHAPTER G. FINANCING THE PROGRAM

Sec. 16.251. FINANCING; GENERAL RULE. (a) and (b) Make conforming changes.

Sec. 16.252. LOCAL SHARE OF PROGRAM COST (TIER ONE). Makes conforming changes.

Sec. 16.254. DISTRIBUTION OF FOUNDATION SCHOOL FUND. (a) Requires the commissioner, for each school year, to make certain determinations relating to the amount of money to which a district is entitled.

(b) Requires the commissioner to base the determination under Subsection (a) on the estimates provided for each district for each school year or different estimates provided by the General Appropriations Act.

(c) Provides the formula for determining the amount to which a district is entitled.

(d) Requires the commissioner to approve warrants to each district equaling the amount of its entitlement, with an exception.

(e) Requires the commissioner to recompute the amount to which a district is entitled if a district's tax rate is less than the limit authorized under this subsection. Limits the amount to which a district is entitled and requires the commissioner to approve warrants in the amount of the new computation. Requires an amount equal to the difference between the initial allocation and the amount of the warrants to be transferred to a special reserve account in the foundation school fund.

(f) Requires amounts transferred to the reserve account to be used in the succeeding fiscal year to finance increases in allocations to districts under Subsection (i). Requires the commissioner, if the amount in the reserve account is less than the amount of the increase under Subsection (i) for the second year of a state fiscal biennium, to certify the amount to the foundation school fund budget committee by January 1 of the second year of the state fiscal biennium.

(g) Authorizes the commissioner to adjust funds, to the extent funds are available, to a district that demonstrates that the factors used in determining the amount of state funds to which the district is entitled are so inaccurate as to cause undue financial hardship. Prohibits funds in the reserve account from being used under this section until any reserve funds have been used for purposes of Subsection (f).

(h) Requires the commissioner to reduce the total amount of state funds allocated to each district if the legislature fails during the regular session to enact the transfer and appropriation proposed under Subsection (f) and there are not funds available under Subsection (j). Provides the formula for determining the amount of the reduction. Provides that a district's entitlement is increased in the subsequent year by an amount equal to the reduction.

(i) Requires the commissioner, not later than March 1 each year, to determine the amount of state funds to which each district is entitled under the allocation formulas in this chapter for the current school year and compare that amount with the amount of the warrants issued to each district for that year. Requires the commissioner to adjust a district's entitlement if the amount of the warrants differs from the amount to which the district is entitled because of variations in the district's tax rate, student enrollment, or taxable value of property.

(j) Authorizes the legislature to appropriate funds for increases under Subsection (i) from funds that the comptroller finds are available.

(k) Requires the commissioner to compute for each district the total amount by which the district's allocation of state funds is increased or decreased under Subsection (i) and to certify that amount to the district.

(l) Provides that the number of weighted students in average daily attendance is calculated in the manner provided by Section 16.302.

Deletes the existing Sec. 16.254.

**Sec. 16.2541. ESTIMATES REQUIRED.** (a) Requires the Central Education Agency (CEA) and the comptroller to submit certain estimates to the foundation school fund budget committee no later than October 1 of each even-numbered year.

(b) Requires the CEA and the comptroller to update the information provided to the legislature by March 1 of each odd-numbered year.

**Sec. 16.256. FOUNDATION SCHOOL FUND BUDGET COMMITTEE.** (a) Makes a nonsubstantive change.

(b) Requires the budget committee's report to the comptroller under this section to be made by December 1, rather than November 1, before each regular session of the legislature. Makes a nonsubstantive.

(f) Makes conforming changes.

**Sec. 16.260. FOUNDATION SCHOOL FUND TRANSFERS.** (c) and (d) Make conforming change.

#### **SUBCHAPTER H. GUARANTEED YIELD PROGRAM (TIER TWO)**

**Sec. 16.302. ALLOTMENT.** Makes conforming changes. Provides that the guaranteed level of state and local funds per weighted student per cent of tax effort is \$20.55, rather than increasing amounts for each school year through 1993-1994 and subsequent years.

**Sec. 16.303. LIMITATION ON ENRICHMENT AND FACILITIES TAX RATE.** Increases the maximum tax rate under this section from \$0.45 to \$0.64 per \$100 of

valuation.

## **Deletes SUBCHAPTER J. COUNTY EDUCATION DISTRICT DISTRIBUTIONS**

**SECTION 2.02.** Amends Sections 14.063(b) and (e), Education Code, to provide that each district is entitled to an annual allotment equal to its average daily attendance multiplied by \$30 or a greater amount provided by appropriation.

**SECTION 2.03.** Amends Sections 20.09(a) and (b), Education Code, as follows:

(a) Prohibits a tax rate in excess of \$1.50 per \$100 valuation, with exceptions.

(b) Makes a conforming change.

**SECTION 2.04.** Amends Section 26.08, Tax Code, as follows:

**Sec. 26.08. ELECTION TO LIMIT SCHOOL TAXES.** (a) Provides that if the governing body of a district adopts a rate that exceeds the district rollback tax rate, the qualified voters of the district at an election held for that purpose must determine whether or not to limit the tax rate the governing body may adopt for the current year to the school district rollback tax rate. Makes conforming changes.

(b) Deletes text relating to a petition required to call an election to limit school taxes. Deletes existing Subsection (c) and redesignates existing Subsection (d). Requires the governing body to order that the election be held in the school district within 30-90 days after the day on which it adopted the tax rate. Amends the language of the ballot for the election.

(c) Redesignates existing Subsection (e). Makes conforming changes.

(d) Sets forth the rates to be included in the district rollback tax rate for the purposes of this section, except as provided by Subsection (e).

(e) Sets forth the rates to be included in the district rollback tax rate for the first year a school district that is the product of the consolidation of two or more whole school districts adopts a tax.

(f) Sets forth the amount, for purposes of Subsections (d) and (e), of state funds and local maintenance and operations taxes that was available to a district in the preceding year.

(g) Defines "weighted students in average daily attendance."

(h) Redesignates existing Subsection (f) and makes a nonsubstantive change.

(i) Provides that in calculating the district rollback tax rate for a district for the 1993 tax year, the CED taxes received by the district for the 1992-1993 school year are treated as state funds distributed to the district under Chapter 16, Education Code, for that school year. Provides that this subsection expires January 1, 1995. Deletes existing Subsections (g) through (j) relating to certain actions if a district is subject to a reduction in total revenue and equalization tax distributions.

**SECTION 2.05.** Sets forth the intent of the legislature regarding funding provisions for an optional extended year program.

**SECTION 2.06.** (a) Requires determinations required under Section 16.254, Education Code, to be based on estimates provided by the Legislative Budget Board model run, number 401, as adjusted to reflect options exercised by districts under Chapter 36, Education Code, as added by this Act, notwithstanding the requirement in Section 16.254, as amended by this Act, requiring determinations under that section to be based on estimates provided under Section 16.2541,

Education Code, as added by this Act, or on different estimates provided by the General Appropriations Act, for the biennium ending August 31, 1995.

(b) Provides that changes in funding to districts for special education under Sections 16.151(a) and (b), Education Code, and under Section 16.101, Education Code, as those sections are amended by this Act, apply beginning with the 1994-1995 school year. Provides that for the 1993-1994 school year, application of the weights provided by Sections 16.151(a) and (b), Education Code, as those sections existed before amendment by this Act, apply to funding to districts for special education and those sections are continued in effect for that purpose.

(c) Provides that any other changes in the funding of public schools made by this Act apply beginning with the 1993-1994 school year.

SECTION 2.07. Provides that to the extent that reenactment of Chapter 16, Education Code, by this article conflicts with another enactment of the 73rd Legislature, Regular Session, 1993, amending a provision of that chapter, the other enactment prevails without regard to the relative dates of enactment.

SECTION 2.08. Provides that this article takes effect immediately.

### ARTICLE 3

SECTION 3.01. Amends Section 21.032(c), Education Code, to require a student enrolled in a public district to attend an extended year program provided by a district for which the student is eligible, or tutorial classes, unless specifically exempted. Requires a district to provide transportation services to students required to attend an extended year program. Exempts a district from providing transportation services to students required to attend tutorial classes.

SECTION 3.02. Amends Section 21.052, Education Code, to include mainstream among those instructional settings in the definition of special teaching.

SECTION 3.03. Amends Section 21.506(b), Education Code, to make a conforming change.

SECTION 3.04. Amends Chapter 21O, Education Code, by adding Sections 21.562 and 21.563, as follows:

Sec. 21.562. STATE-FUNDED OPTIONAL EXTENDED YEAR PROGRAM. (a) Authorizes a district to apply to the commissioner for funding and approval of an extended year program not exceeding 30 days for students in kindergarten through grade level eight who are identified as likely not to be promoted to the next grade level for the succeeding school year.

(b) Authorizes the commissioner to adopt rules for the administration of programs provided under this section.

(c) Prohibits a district from enrolling more than 12 students in a class.

(d) Requires each class to be taught by a teacher who meets certain criteria.

(e) Sets forth procedures and criteria for promotion of a student to the next grade level.

(f) Requires a district that provides a program under this section to adopt a policy designed to lead to immediate reduction and ultimate elimination of student retention.

(g) Authorizes a district to apply for approval under this section only for a pilot program for students in grade level one for the 1993-1994 school year and grade levels one and two for the 1994-1995 school year. Prohibits the state's share of a pilot program under this section from exceeding the amount appropriated for program



purposes. Authorizes funds provided to a pilot program to be used for transportation of eligible students. Provides that this subsection expires September 1, 1995.

**Sec. 21.563. OPTIONAL EXTENDED YEAR PROGRAM.** (a) Authorizes a district to apply to the commissioner for approval to provide an extended year program for a period not exceeding 45 days for students in kindergarten through grade level eight who would otherwise not be promoted.

(b) Authorizes a district, in order to provide the funding necessary for a program approved under this section, with the approval of the commissioner, to provide a number of days of instruction during the regular school term that is up to five days less than the number otherwise required under Section 16.052(a). Provides that a district providing a program under this section is not entitled to funding appropriated for purposes of providing programs under Section 21.562.

(c) Authorizes the commissioner to adopt rules for the administration of programs provided under this section.

**SECTION 3.05.** Amends Chapter 21Z, Education Code, by adding Section 21.939, as follows:

**Sec. 21.939. LEGISLATIVE LOBBYIST OR LIAISON; PROHIBITION.** (a) Prohibits a district from employing a person required to register under Chapter 305, Government Code, by virtue of the person's activities on behalf of the district.

(b) Prohibits a district from employing a person whose primary duties are activities related to proposed legislation or administrative action, including those set forth in this subsection.

(c) Sets forth liability for a district that employs a person in violation of this section. Authorizes the attorney general to sue to collect the penalty.

(d) Requires the commissioner to reduce the amount allocated to the district by a certain amount if a civil penalty is imposed against a district under this section.

**SECTION 3.06.** Provides that this article takes effect immediately and applies beginning with the 1993-1994 school year.

## ARTICLE 4

**SECTION 4.01.** Amends Section 11.86(a), Education Code, as follows:

(a) Requires the comptroller to make appropriate adjustments in the study to account for actions taken under Chapter 36. Makes conforming changes.

**SECTION 4.02.** Amends Chapter 23B, Education Code, by adding Section 23.34, as follows:

**Sec. 23.34. CONTRACTS FOR EDUCATIONAL SERVICES.** Authorizes the board of trustees of an independent district to contract with a public or private entity for that entity to provide educational services for the district.

**SECTION 4.03.** Amends Section 317.005(f), Education Code, to make a conforming change.

**SECTION 4.04.** Amends Section 1.04(12), Tax Code, to make a conforming change.

**SECTION 4.05.** Amends Section 6.02, Tax Code, by amending Subsections (b) and (f) and adding Subsection (g), as follows:

(b) Provides that the choice of a district to participate in a single appraisal district does not apply to property annexed to the district under Subchapter C or G, Chapter 36, Education

Code, unless conditions set forth in this subsection exist. Makes conforming changes.

(f) Provides that all costs of operating an appraisal district in territory outside the county for which the appraisal district is established are allocated to the taxing unit for which the appraisal district appraises property in that territory. Makes conforming changes.

(g) Provides that if property is annexed to a district under Subchapter C or G, Chapter 36, Education Code, the appraisal district established for the county in which the property is located shall appraise the property for the district, and the district participates in that appraisal district for purposes of that property appraisal, except as otherwise permitted by Subsection (b).

**SECTION 4.06.** Amends Section 6.03, Tax Code, by amending Subsections (c) through (e) and adding Subsection (m), as follows:

(c) - (e) Make conforming changes.

(m) Sets forth eligibility requirements for an individual to be appointed to the board of directors of an appraisal district who does not meet the residency requirements of Subsection (a), if a district participates in an appraisal district in which the property of the district located in the appraisal district is property annexed to the district under Subchapter C or G, Chapter 36, Education Code.

**SECTION 4.07.** Amends Subsections (d) and (h), Section 6.06, Tax Code, to make conforming changes.

**SECTION 4.08.** Amends Subsections (d), (e), (m), and (n), Section 11.13, Tax Code, to make conforming changes.

**SECTION 4.09.** Amends Subsections (c) and (e), Section 11.14, Tax Code, to make conforming changes.

**SECTION 4.10.** Amends Section 21.01, Tax Code, to make a conforming change.

**SECTION 4.11.** Amends Section 21.02, Tax Code, as follows:

(a) Creates this subsection from existing text and makes a conforming change.

(b) Provides for the taxation of tangible personal property having taxable situs at the same location as real property detached from a district and annexed by another district.

(c) Sets forth the year tangible personal property has taxable situs in a district that is the result of a consolidation under Chapter 36, Education Code.

**SECTION 4.12.** Amends Section 25.25, Tax Code, by adding Subsection (h), as follows:

(h) Requires the chief appraiser to change the appraisal records and district appraisal rolls to reflect the detachment and annexation of property among districts under Subchapter C or G, Chapter 36, Education Code.

**SECTION 4.13.** Repealers: (1) Section 1.05 and Chapter 20G, Education Code; and

(2) Sections 6.061(f), 26.12(e), and 312.002(e) and (f), Tax Code.

**SECTION 4.14.** Abolishes each county education district (CED) created under Section 2, Chapter 20, Acts of the 72nd Legislature, Regular Session, 1991, effective September 1, 1993.

**SECTION 4.15.** (a) Requires each CED, on August 31, 1993, to transfer its funds to its component districts in the manner provided by rule of the commissioner, except any penalties

paid to a CED in 1993 shall be allocated to the district that is the situs of the property that incurred the penalties.

(b) Transfers any assets of a CED other than funds to its component districts in the manner and amounts provided by rule of the commissioner on September 1, 1993.

(c) Transfers the contracts and other liabilities of a CED to its component districts in the manner and amounts provided by rule of the commissioner on September 1, 1993.

(d) Requires the records of the board of a CED to be maintained as provided by rule of the commissioner.

(e) Authorizes the component districts of a CED abolished by this Act to collect and use or distribute taxes imposed by the CED that are delinquent in the manner provided by rule of the commissioner.

SECTION 4.16. Provides that this article takes effect immediately and applies beginning with the 1993-1994 school year.

## ARTICLE 5

SECTION 5.01. Amends Chapter 13Z, Education Code, by adding Section 13.914, as follows:

Sec. 13.914. LOANED TEACHERS. (a) Authorizes a district, by agreement with a business, to accept for special employment as a classroom teacher with the district a person employed by the business subject to the conditions prescribed by Subsection (b).

(b) Sets forth provisions for an agreement under Subsection (a).

(c) Authorizes the commissioner to adopt guidelines for an agreement under this section and to authorize the expenditure of CEA funds for the recruiting and employment of loaned teachers under this section.

(d) Authorizes the State Board of Education (board), by rule, to provide a one-year exemption for a loaned teacher from the teacher certification requirements of this chapter and provide minimum standards and educational experience for qualifications for the exemption.

SECTION 5.02. Provides that this article takes effect immediately.

## ARTICLE 6

SECTION 6.01. Amends Sections 4.25(a) and (b), Education Code, as follows:

(a) Includes a child's unexcused voluntary absences for the time specified under Section 51.03(b)(2), Family Code, for which a parent or person standing in parental relation commits an offense. Doubles the fine amounts for an offense under this section. Makes conforming changes.

(b) Requires the collected fines to be deposited as set forth in this subsection. Deletes existing text providing a defense to prosecution.

SECTION 6.02. Amends Chapter 54, Family Code, by adding Section 54.043, as follows:

Sec. 54.043. MONITORING SCHOOL ATTENDANCE. Requires a probation officer charged with supervising a child, if the court places a child on probation under Section 54.04(d) and requires the child to attend school as a condition of probation, to monitor the child's school attendance and report to the court if the child is voluntarily absent from

school.

SECTION 6.03. Makes application of this article prospective.

SECTION 6.04. Provides that this article takes effect September 1, 1993.

## ARTICLE 7

SECTION 7.01. Amends Title 2, Education Code, by adding Chapter 35, as follows:

### CHAPTER 35. PUBLIC SCHOOL SYSTEM ACCOUNTABILITY

#### SUBCHAPTER A. GENERAL PROVISIONS

Sec. 35.001. PUBLIC EDUCATION GOALS. Sets forth the objective and goals of state support and maintenance of a public education system.

#### SUBCHAPTER B. ASSESSMENT OF ACADEMIC SKILLS

Sec. 35.021. ESSENTIAL SKILLS AND KNOWLEDGE. (a) Requires the board, by rule, to create and implement a statewide assessment program to ensure school accountability for student achievement that achieves the goals provided under Section 35.001.

(b) Requires the board, before adopting rules, to consider the comments of the Legislative Education Board as required under Section 11.24.

Sec. 35.023. ADOPTION AND ADMINISTRATION OF INSTRUMENTS. (a) Requires the agency to adopt criterion-referenced assessment instruments designed to assess competencies in subject areas determined by the board. Requires assessment in reading and mathematics to be annual for all nonexempt pupils in grades three through eight and periodic in other areas as determined by the board.

(b) Requires the agency to also adopt secondary exit-level assessment instruments to assess competencies in subject areas determined by the board. Requires the English language arts section to include the assessment of writing competencies. Requires the board to administer the assessment instruments.

(c) Requires the board to adopt a schedule for the administration of secondary exit-level assessment instruments. Requires each pupil who did not perform satisfactorily on an assessment instrument to be given multiple opportunities to retake the assessment instrument.

(d) Authorizes an assessment instrument to include multiple sets of questions.

(e) Requires the assessment instruments to be designed to include assessment of a student's ability and skills.

(f) Requires the assessment instruments to include assessments of social studies and science not later than the 1994-1995 school year. Authorizes the board to adopt a schedule for the addition of the assessment in phases. Provides that this subsection expires August 31, 1995.

(g) Authorizes the board to adopt one nationally recognized, norm-referenced assessment instrument in reading and mathematics to be administered uniformly in the spring. Sets forth requirements for the norm-referenced assessment instrument.

(h) Requires the agency, not later than the 1994-1995 school year, to adopt end-of-course tests for grades nine through 12 for subjects as defined by the commissioner and the board.

(i) Requires the agency to notify school districts and campuses of the results of assessment instruments at the earliest possible date but not later than the beginning of the subsequent school year.

(j) Provides that the provisions of this section are subject to modification by rules adopted under Section 35.022. Requires each assessment instrument adopted under those rules to be reliable and valid and meet federal requirements for measurement of student progress.

**Sec. 35.024. SATISFACTORY PERFORMANCE.** (a) Requires the board to determine the level of performance considered satisfactory on the assessment instruments.

(b) Sets forth requirements for an instruction program for students who did not perform satisfactorily on an assessment instrument.

(c) Requires the agency to develop and distribute study guides to assist parents in providing assistance during summer recess to students who do not perform satisfactorily on one or more parts of an assessment instrument. Requires the commissioner to retain a portion of funds allotted under Section 16.152(a) to finance the development and distribution of the study guides and to reduce each district's allotment proportionately.

**Sec. 35.025. EXIT-LEVEL PERFORMANCE REQUIRED.** (a) Prohibits a student from receiving a high school diploma until the student has performed satisfactorily on the assessment instruments for reading, writing, and mathematics. Requires the board to adopt a schedule for the addition of satisfactory performance on assessment instruments in other subject areas as a requirement for receipt of a high school diploma.

(b) Authorizes a student who has not been given a high school diploma because of a failure to perform satisfactorily on the secondary exit-level assessment instrument for that subject area to retake the assessment instrument each time the assessment is administered.

(c) Requires a student who has been denied a high school diploma under Subsections (a) and (b) and subsequently performs satisfactorily on each secondary exit-level assessment instrument to be issued a high school diploma.

**Sec. 35.026. LOCAL OPTION.** Authorizes a local district, in addition to the assessment instruments adopted by the agency and administered by the board, to adopt and administer criterion-referenced or norm-referenced assessment instruments, or both, at any grade level. Sets forth requirements for a norm-referenced assessment instrument.

**Sec. 35.027. EXEMPTION.** (a) Exempts any student who has an impairment or a learning disability that prevents the student from mastering the competencies which the assessment instruments are designed to measure from the requirements of this subchapter.

(b) Requires the board to adopt rules under which a district may determine if a student is eligible for an exemption under this section. Requires the agency to closely monitor compliance with those rules.

(c) Requires the board to adopt rules under which a dyslexic student may utilize procedures to demonstrate the student's mastery of the competencies the assessment instruments are designed to measure.

**Sec. 35.028. COMPARISON OF STATE RESULTS TO NATIONAL RESULTS.** Requires the state assessment program to obtain nationally comparative results for the subject areas and grade levels for which assessment instruments are adopted under Section 35.023.

**Sec. 35.029. MIGRANT WORKERS.** (a) Authorizes the board, by rule, to provide alternate dates for the administration of the assessments to a student whose parent or

guardian is a migrant worker. Authorizes the alternate dates to be chosen following a consideration of migrant work patterns and afford opportunity for the students to be present when the assessment instruments are administered.

(b) Defines "migrant worker."

**Sec. 35.030. CONFIDENTIALITY; PERFORMANCE REPORTS.** (a) Requires the board or a local district to ensure the security of the instruments and tests in their preparation, administration, and grading. Provides that meetings held by the board or a local district at which individual assessment instruments or assessment instrument items are discussed or adopted are not open to the public under Article 6252-17, V.T.C.S., and the assessment instruments or assessment instrument items are confidential.

(b) Provides that the results on assessment instruments are confidential and may be made available only to certain persons and the agency as required by this subchapter. Requires, however, overall student performance data to be aggregated and made available to the public at meetings of the governing board of each district. Prohibits the information from containing the names of individual students or teachers. Requires the commissioner to compile the data and report it to the legislature, lieutenant governor, and governor no later than January 1 of each odd-numbered year.

(c) Authorizes a district or the commissioner, in compiling data, to aggregate separately the performance data of students enrolled in a special language program or a special education program.

**Sec. 35.031. COST.** Requires the cost of preparing, administering, or grading the assessment instruments to be paid from the compensatory aid provided by Section 16.152, and requires each district to bear the cost in the manner described for a reduction in allotments under Section 16.254. Requires the commissioner, if a district does not receive an allocation of compensatory aid, to subtract the cost from the district's other foundation school fund allocations.

**Sec. 35.032. BIENNIAL REPORTS.** Requires the board to biennially report to the legislature an evaluation of the correlation between student grades and student performance on assessment instruments. Authorizes the report to be included with other reports.

**Sec. 35.033. ASSESSMENT INSTRUMENT STANDARDS; CIVIL PENALTY.** (a) Prohibits a company or organization from distributing, selling, or grading, the same form of an assessment for more than three school years for the same district. Prohibits a district from using the same form for more than three years.

(b) Requires a company or organization that grades an assessment instrument to report the results to the district and the agency by campus and district and in comparison to state and national averages, unless otherwise requested.

(c) Sets forth requirements for computing state and national norms of averages and basing the standardization norms.

(d) Sets forth liability and damages for a company or organization that reports results using national norms that are not calculated in compliance with Subsection (c). Sets forth those persons who may bring suit to collect damages.

(e) Requires the board to adopt rules for the implementation of this section and for the maintenance of the security of the contents of all assessment instruments.

(f) Defines "assessment instrument."

#### SUBCHAPTER C. PERFORMANCE INDICATORS

**Sec. 35.041. ACADEMIC EXCELLENCE INDICATORS.** (a) Requires the board, on the

advice of the Legislative Education Board, to adopt a set of indicators of the quality of learning on a campus. Requires the board to biennially review the indicators for the consideration of appropriate revisions.

(b) Requires performance on the indicators to be compared to state-established standards. Requires the degree of change from one school year to the next in performance on each indicator to also be considered. Requires the indicators to be based on information that is disaggregated with respect to race, ethnicity, gender, and socioeconomic status and to include the indicators set forth in this subsection.

(c) Requires performance on the indicator under Subsection (b)(1) to be compared to state standards, required improvement, and comparable improvement. Sets forth the method for determining and definitions for state standards, required improvement, and comparable improvement.

(d) Requires the board to report the status of education in the state as reflected by the indicators to the legislature not later than February 1 of each odd-numbered year.

(e) Requires the commissioner to annually define certain performances for each indicator included under Subsections (b)(1)-(6) and to project the standards for each of those levels of performance for succeeding years.

**Sec. 35.042. PERFORMANCE REPORT.** (a) Sets forth requirements for an annual report to be published by each board of directors describing the educational performance of the district and of each campus in the district.

(b) Requires the board of trustees to hold a hearing for public discussion of the report and notify property owners and parents in the district of the hearing. Requires the report to be widely disseminated within the district after the hearing.

(c) Requires the report to also include a comparison provided by the agency of certain performances of districts and campuses.

(d) Sets forth information the report may include.

(e) Requires the board, by rule, to authorize the combination of this report with other reports and financial statements and to restrict the number and length of reports that districts, district employees, and campuses are required to prepare.

(f) Requires the report to include a statement of the amount of the district's unencumbered surplus fund balance as of a certain date and the percentage of the preceding year's budget that the surplus represents.

**Sec. 35.043. CAMPUS REPORT CARD.** (a) Requires the agency, each school year, to prepare and distribute to each district a report card for each campus. Sets forth requirements for the cards.

(b) Sets forth information to be included on the report card where applicable.

(c) Requires the commissioner to adopt rules for requiring dissemination of campus report cards annually to the parent or person standing in parental relation to each student at the campus. Requires the district to provide a copy of a campus report card to any other party on written request.

**Sec. 35.044. USES OF PERFORMANCE REPORT.** Sets forth the information to be reported under Section 35.042.

#### **SUBCHAPTER D. ACCREDITATION STATUS**

**Sec. 35.061. ACCREDITATION REQUIRED.** Requires each district to be accredited by

the agency.

**Sec. 35.062. ACCREDITATION STANDARDS.** (a) Requires the board to adopt rules for the accreditation of districts. Requires the rules to include criteria to evaluate the performance of districts and to assign to districts one of the performance ratings described in this subsection.

(b) Requires the academic excellence indicators adopted under Sections 35.041(b)(1)-(6) to be the main consideration of the agency in the rating of the district. Authorizes additional criteria in the accreditation rules to include consideration of factors set forth in this subsection.

(c) Requires the agency to evaluate against state standards and report the performance of each campus in a district on the basis of the campus's performance on the indicators adopted under Sections 35.041(b)(1)-(6).

**Sec. 35.063. DETERMINING ACCREDITATION STATUS.** (a) Requires the CEA to annually review the performance of each district and campus on the indicators adopted under Sections 35.041(b)(1)-(6) and determine if a change in the accreditation status of the district is warranted.

(b) Requires each annual review to include an analysis of the indicators under Sections 35.041(b)(1)-(6) to determine district and campus performance in relation to certain standards and factors.

(c) Provides that a district's accreditation rating may be raised or lowered based on the district's performance or may be lowered based on the unacceptable performance of one or more campuses in the district.

(d) Requires the State Board of Education to make optimum use of the agency's public education information management system to minimize the written reporting requirements of school districts.

(e) Requires the commissioner, beginning not later than the 1993-1994 school year, to notify a district that is rated accredited warned and the performance of the district or a campus in the district is below each standard and to require the district to notify property owners and parents in the district of the lowered accreditation rating and its implication.

**Sec. 35.064. ON-SITE INVESTIGATIONS.** (a) Authorizes the commissioner to direct the CEA to conduct on-site investigations at any time and to raise or lower the accreditation rating as a result of the investigation.

(b) Requires the commissioner to determine the frequency of on-site investigations by the CEA according to annual comprehensive analyses of student performance and equity in relation to the academic excellence indicators adopted under Section 35.041.

(c) Requires the investigators, in making an on-site accreditation investigation, to obtain information from certain parties. Prohibits the investigation from being closed until information is obtained from each of the sources. Requires the State Board of Education to adopt rules for obtaining information from certain sources.

(d) Requires the CEA to give written notice to the superintendent and trustees of any impending investigation of the district's accreditation.

(e) Provides that the CEA may conduct on site-evaluations on individual campuses within a district that are indicated to have low performance on one or more of the indicators under Section 35.041.

(f) Requires the investigators to report orally and in writing to the district's board of



trustees and, as appropriate, to campus administrators and to make recommendations concerning any necessary improvements or sources of aid such as regional service centers.

**Sec. 35.065. SPECIAL ACCREDITATION INVESTIGATIONS.** (a) Requires the commissioner to authorize special accreditation investigations under certain circumstances.

(b) Authorizes the commissioner, based on the results of a special accreditation investigation, to lower the district's accreditation rating and to take appropriate action under Subchapter G.

**Sec. 35.066. AGENCY ASSISTANCE.** Requires the CEA to provide assistance to districts which have been found to have difficulty meeting accreditation standards.

#### **SUBCHAPTER E. SUCCESSFUL SCHOOLS AWARDS**

**Sec. 35.081. CREATION OF SYSTEM.** Provides for the creation of the Texas Successful Schools Awards System to recognize and reward those schools and school districts that demonstrate progress or success in achieving the education goals of the state.

**Sec. 35.082. TYPES OF AWARDS.** (a) Authorizes the governor to present a financial award to the schools or districts that the commissioner determines have demonstrated the highest levels of sustained success or the greatest improvement in achieving the education goals. Provides for the amount of the award.

(b) Authorizes the governor to present proclamations or certificates to additional schools and districts determined to have met or exceeded the education goals.

(c) Authorizes the commissioner to establish additional categories of awards and award amounts for a school or district determined to be successful under this section that are contingent on the school's or district's involvement with paired, lower-performing schools.

**Sec. 35.083. AWARDS.** (a) Requires the criteria which the commissioner uses to select successful schools to be related to the goals in Section 35.001 and include consideration of performance on the academic excellence indicators adopted under Section 35.041. Requires each school's performance to be compared to state standards and to its previous performance.

(b) Requires the commissioner to select annually schools and districts qualified to receive successful school awards for their performance and report the selections to the governor and the State Board of Education.

(c) Requires the CEA to notify each school district of the manner in which the district or a school in the district may qualify for a successful school award.

**Sec. 35.084. USE OF AWARDS.** (a) Requires a school or district to give priority to academic enhancement purposes in determining the use of a monetary award received under this subchapter. Prohibits the award from being used for any purpose related to athletics or to substitute for or replace funds already in the regular budget for a school or district.

(b) Requires the school committee established under Section 21.931 to determine the use of the funds awarded to a school under this subchapter. Requires the professional staff to determine the use of the funds awarded to the school district under this subchapter.

**Sec. 35.085. FUNDING.** Provides that the award system may be funded by donations, grants, or legislative appropriations. Authorizes the commissioner to solicit and receive grants and donations for the purpose of making awards under this subchapter. Provides that a small portion of the award funds may be used by the commissioner to pay for the costs

associated with sponsoring a ceremony to recognize or present awards to schools or districts. Requires the donations, grants, or appropriations to be accounted for and distributed by the CEA and provides that the awards are subject to audit requirements established by the State Board of Education.

Sec. 35.086. **CONFIDENTIALITY.** Provides that all information and reports received by the commissioner under this subchapter from schools or districts deemed confidential under the open records law are confidential and may not be disclosed in any public or private proceeding.

#### **SUBCHAPTER F. ADDITIONAL REWARDS**

Sec. 35.101. **RECOGNITION AND REWARDS.** Requires the State Board of Education to develop a plan for recognizing and rewarding districts and campuses that are rated as exemplary or recognized and for developing a network for sharing proven successful practices statewide and regionally.

Sec. 35.102. **EXCELLENCE EXEMPTIONS.** (a) Provides that a district or campus that is rated exemplary is exempt from requirements and prohibitions imposed under this code including rules adopted under this code, except as provided by Subsection (b).

(b) Provides requirements and prohibitions from which a district or campus is not exempt under this section.

(c) Requires the CEA to monitor and evaluate deregulation of a campus or district under this section and Section 11.273 and report annually on the effect of deregulation on student achievement to the State Board of Education, the Legislative Education Board, the governor, lieutenant governor, the speaker of the house, and the legislature. Requires the report to include a list of the exemptions utilized and a review of the effectiveness of the waivers and exemptions programs.

(d) Authorizes the commissioner to exempt an exemplary campus from elementary class size limits under this section if the campus submits to the commissioner a written plan showing steps that will be taken to ensure that the exemption will not be harmful to the academic achievement of the students on the campus. Requires the commissioner to review achievement levels annually. Provides that the exemption remains in effect until the commissioner determines that achievement levels of the campus have declined.

#### **SUBCHAPTER G. ACCREDITATION SANCTIONS**

Sec. 35.121. **SANCTIONS.** (a) Requires the commissioner to impose certain specific sanctions if a district does not satisfy the accreditation criteria.

(b) Authorizes the commissioner to take certain actions if a campus is considered a low-performing campus.

(c) Provides for annual reviews of districts and campuses subject to this section and for state intervention in those districts and campuses. Requires the commissioner to report annually to the governor, lieutenant governor, and speaker of the house on districts and campuses subject to this section the actions taken by the commissioner to improve student performance and the results of those actions.

(d) Requires the costs of providing a monitor, master, management team, or special campus intervention team to be paid by the district.

(e) Requires a master or management team appointed to oversee the operations of a district to prepare a plan for implementation of action.

(f) Provides for the composition of a special campus intervention team.

(g) Provides that the powers of the board of trustees are suspended for the period in which the commissioner appoints a board of managers to govern a district and requires the commissioner to appoint a district superintendent. Authorizes the board of management, notwithstanding any other provision of this code, to amend the budget of the district.

(h) Provides that the powers of the board of trustees relative to a campus is suspended for the period in which the commissioner appoints a board of managers to govern a campus and requires the commissioner to appoint a campus principal. Authorizes the board of management, notwithstanding any other provision of this code, to submit to the commissioner for approval amendments to the budget of the district for the benefit of the campus. Requires the board of trustees of the district to adopt the amendments if the commissioner approves them.

**SECTION 7.02.** Amends Section 11.273, Education Code, by amending Subsection (e) and adding Subsection (h), as follows:

(e) Makes conforming changes.

(h) Authorizes the commissioner to grant to a district or campus that is required to develop and implement a student achievement improvement plan an exemption or waiver from any law or rule, with exceptions.

**SECTION 7.03.** Amends Section 11.62, Education Code, to make conforming changes relative to the powers of the commissioner of education.

**SECTION 7.04.** Amends Section 13.351, Education Code, by adding Subsection (c), to establish additional duties of a superintendent.

**SECTION 7.05.** Amends Subsections (a), (b), and (d), Section 19.027, Education Code, to make conforming changes.

**SECTION 7.06.** Amends Section 21.557(f), Education Code, to make conforming changes.

**SECTION 7.07.** Amends Section 21.930, Education Code, by adding Subsection (h), to require the professional staff elected to participate in the district-level decision process to hold at least one public meeting per year. Requires the meeting to be held after receipt of the annual district performance report from the CEA for the purpose of discussing the performance of the district and the district performance objectives.

**SECTION 7.08.** Amends Section 21.931, Education Code, by adding Subsection (g), to require each school [site-based decision making] committee to hold at least one public meeting per year. Requires the meeting to be held after receipt of the annual district performance report from the CEA for the purpose of discussing the performance of the district and the district performance objectives.

**SECTION 7.09.** Amends Section 23.33(a), to require the State Board of Education to adopt statewide standards for the duties of a school board member as criteria for board member training.

**SECTION 7.10.** Requires the Educational Economic Policy Center to monitor and evaluate the implementation of the accountability system set forth in this Act and provide annual progress reports to the governor, Legislative Education Board, and the commissioner.

**SECTION 7.11.** (a) Provides for the establishment of the Select Committee to Conduct a Comprehensive Review of the Central Education Agency and efficient use of educational resources in the state (committee).

(b) Provides the composition of the committee.

- (c) Provides that the chairs of the Senate Education Committee and the House Public Education Committee serve as co-chairs of the committee.
- (d) Requires the committee to conduct an in-depth and comprehensive review of the mission, organization, size, and effectiveness of the CEA. Requires the committee, in conducting its review, to study the mission, organizational structure, and practices of similar agencies in other states. Requires the review to include certain elements.
- (e) Requires the commissioner to ensure that the committee has access to any documentation and agency personnel the committee requests.
- (f) Requires committee meetings to be held at the call of the co-chairs.
- (g) Provides that a majority of the members of the committee constitute a quorum.
- (h) Requires the committee, not later than December 1, 1994, to issue a report stating the findings of its review under this section, including any recommendations for statutory changes. Requires the report to be approved by a majority of the committee. Authorizes any dissenting member to attach a statement to the report.
- (i) Requires staff members of the Senate Education Committee and the House Public Education Committee to serve as the staff of the committee.
- (j) Requires the LBB, comptroller, state auditor, and other state agencies, officials, and personnel to cooperate with the committee in carrying out its duties under this section.
- (k) Provides for expense reimbursement for committee members.
- (l) Authorizes the committee to coordinate its study with any other legislative study.
- (m) Provides that the committee expires January 10, 1995.

**SECTION 7.12. Repeals the following provisions of the Education Code:**

Sec. 2.01 (Public Education in General; Goals for Public Education);  
 Sec. 11.272 (Excellence Exemptions);  
 Sec. 21.258 (Performance Report);  
 Sec. 21.551 (Adoption and Administration of Instruments);  
 Sec. 21.552 (Satisfactory Performance);  
 Sec. 21.553 (Exit Level Performance Required);  
 Sec. 21.554 (Local Option);  
 Sec. 21.555 (Exemption);  
 Sec. 21.556 (Confidentiality; Performance Reports);  
 Sec. 21.558 (Cost);  
 Sec. 21.559 (Comparison of State Results to National Results);  
 Sec. 21.560 (Assessment Instrument Standards; Civil Penalty);  
 Sec. 21.561 (Biennial Report);  
 Sec. 21.751 (Accreditation Required);  
 Sec. 21.752 (Master);  
 Sec. 21.753 (Accreditation Standards);  
 Sec. 21.7531 (Academic Excellence Indicators);  
 Sec. 21.754 (Investigations);  
 Sec. 21.755 (Investigators' Report)  
 Sec. 21.756 (Agency Assistance);  
 Sec. 21.757 (Sanctions);  
 Sec. 21.758 (State-Operated School District); and  
 Chapter 34A (Texas Successful Schools Award System).

**SECTION 7.13. Amends Section 21.9211, Education Code, by amending Subsection (e) and adding Subsections (g) and (h), as follows:**

(e) Adds the governor and the legislature to the entities to which the advisory council (council) of the University Interscholastic League (UIL) is to make recommendations relating to the rules of the UIL. Requires the council to submit its initial report no later than January 1, 1995.

(g) Requires the council to study certain matters.

(h) Prohibits any actions of the UIL relating to the provision of additional programs of school districts to be taken pending submission of a final report by the council.

SECTION 7.14. Provides that this article takes effect immediately and applies beginning with the 1993-1994 school year.

## ARTICLE 8

SECTION 8.01. Amends Chapter 21Z, Education Code, by adding Section 21.938, as follows:

Sec. 21.938. DISTRICT AND CAMPUS PLANNING PROCESS. (a) Requires the board of trustees of each school district to develop a district and campus planning process under which the board will adopt a report detailing a plan for the district and plans for each campus.

(b) Requires each district's report to include certain information.

(c) Requires the board to address any federal planning requirements.

(d) Requires the district to make the report available to the CEA on request.

SECTION 8.02. Amends Section 12.65(f), Education Code, to make a nonsubstantive change.

SECTION 8.03. Amends Section 12.67(a), to delete the requirement that a transaction between a school district employee and a textbook publisher be registered with the commissioner.

SECTION 8.04. Amends Section 21.601, Education Code, by deleting Subsection (b), which authorized certain districts to cooperate in establishing a common school-community guidance center.

SECTION 8.05. Amends Section 21.701, Education Code, to make a conforming change.

SECTION 8.06. Amends Section 21.702, Education Code, to make a nonsubstantive change.

SECTION 8.07. Amends Section 21.926, Education Code, to delete requirements that certain information be posted in each school in a district.

SECTION 8.08. Repeals the following sections of the Education Code:

Sec. 11.2051 (Family Life or Self-Responsibility Education Data);

Sec. 12.67(c) (requiring the State Board of Education to adopt rules for the registration of transactions between school employees and textbook publishers);

Sec. 14.065 (Technology Plan);

Sec. 21.034 (Reports);

Sec. 21.1111(d) (requiring the instructors and materials utilized in certain vocational classes to be subject to the approval of the Central Education Agency);

Sec. 21.253 (Registration Card);

Sec. 21.301(o) (authorizing two or more districts to jointly operate a community-based alternative school);

Sec. 21.557(d) (requiring each district to submit an annual report to the commissioner which describes how compensatory and remedial education are provided by campus);

Sec. 21.654 (Program Approval); and

Sec. 21.909(d) (requiring a school principal to make a full written report to the State

Department of Education whenever an accident occurs during certain vocational courses that involves an injury to the eye of a teacher or pupil).

SECTION 8.09. Amends Section 13.037(c), Education Code, to delete the requirement that the CEA collect and maintain teacher performance data from each district's implementation of the statewide appraisal system. Makes a conforming change.

SECTION 8.10. Amends Section 13.103, Education Code, to require a board of trustees to notify any teacher holding a probationary contract not later than the 60th day before the last day of instruction required that the teacher's employment will be terminated.

SECTION 8.11. Amends the title to Chapter 13E, Education Code, to make a conforming change to read as follows:

#### SUBCHAPTER E. TEACHER APPRAISAL

SECTION 8.12. Amends Sections 13.302(a), (c), and (f), Education Code, to make conforming and nonsubstantive changes.

SECTION 8.13. Amends Section 13.303, Education Code, by amending Subsections (a) and (c) and adding Subsection (d), as follows:

(a) Makes a conforming changes.

(c) Requires appraisals to be done at least once during each school year. Requires a district to maintain a written copy of the evaluation of each teacher's performance in the teacher's personnel file. Provides that each teacher is entitled to receive a written copy of the evaluation and to a second appraisal by a different appraiser or to submit a written rebuttal to the evaluation to be attached to the evaluation. Provides that the evaluation and any rebuttal may be given to another district at which the teacher has applied for employment at the request of that district.

(d) Provides that a teacher may be given advance notice of the date or time of an appraisal.

SECTION 8.14. Amends Section 13.304, Education Code, to make conforming changes.

SECTION 8.15. Amends Chapter 16B, Education Code, by adding Section 16.058, as follows:

Sec. 16.058. SALARY OF TEACHER FORMERLY ON CAREER LADDER. (a) Provides that a teacher who was assigned to a career ladder level under Chapter 13E on August 31, 1993, is entitled to receive in subsequent school years, as long as the teacher is employed by the same district, a minimum salary equal to the teacher's base salary plus the teacher's career ladder supplement in the 1992-1993 school year.

(b) Defines "base salary."

SECTION 8.16. Amends Section 21.112(e), Education Code, to delete the requirement that a competency profile be maintained for each student enrolled.

SECTION 8.17. Amends Section 21.204(a), Education Code, to make a conforming change.

SECTION 8.18. Amends Section 822.201(b), Government Code, to make conforming changes.

SECTION 8.19. Amends Section 825.405(b), Government Code, to make conforming changes.

SECTION 8.20. Repeals the following sections of the Education Code:

Sec. 12.61(a) (requiring teachers to report maximum attendance);  
Sec. 13.301 (Career Ladder);  
Sec. 13.305 (Classes of Teaching Certificates);

Sec. 13.306(b) (relating to performance required of a teacher during a probationary year);  
Sec. 13.307 (Level One Entry);  
Sec. 13.308 (Level Two Entry);  
Sec. 13.309 (Level Three Entry);  
Sec. 13.310 (Level Four Entry);  
Sec. 13.3101 (Ineffective);  
Sec. 13.311 (Level Four Maintenance);  
Sec. 13.312 (Level Two or Three Maintenance);  
Sec. 13.313 (Reassignment of Duties);  
Sec. 13.314 (Out-of-State Teachers Entering Career Ladder Program);  
Sec. 13.315 (Higher Education Course Work and Advanced Academic Training);  
Sec. 13.316 (Master Teacher Comprehensive Examination);  
Sec. 13.317 (Master Teacher Duties);  
Sec. 13.319 (Finality of District Decision);  
Sec. 13.320 (Not Property Right);  
Sec. 13.321 (Transfer Between Districts);  
Sec. 13.322 (Credit Retained);  
Sec. 13.323 (Effect on Other Rights); and  
Sec. 21.251(c) (requiring a teacher to make monthly reports).

SECTION 8.21. Amends Sections 13.353(a) and (e), Education Code, as follows:

(a) Provides that each in-service training program offered by a district may be one adopted by the State Board of Education or one approved by the board of trustees. Requires the program to include management training in site-based decision making.

(e) Authorizes, rather than requires, the CEA to allocate an amount each year for in-service training. Deletes the requirement that the manner in which such funds are utilized be reported annually to the commissioner.

SECTION 8.22. Amends Section 13.354(d), Education Code, to authorize, rather than require, each district to use the appraisal process and performance criteria developed by the board in evaluating the performance of an administrator.

SECTION 8.23. Repeals the following sections of the Education Code:

Sec. 12.64 (Bond); and

Sec. 13.354(c) (relating to the development of an appraisal process for administrators).

SECTION 8.24. Amends Section 21.165(d), Education Code, to delete the requirement that the commissioner, in addition to a district's board of trustees, approve the purchase of motor vehicles, buses, bus bodies, and bus chassis.

SECTION 8.25. Amends Sections 21.174(c) through (i), Education Code, relating to the purchase and lease of motor vehicles for the transport of school children.

SECTION 8.26. Amends Section 19.051(a), Education Code, to make conforming changes.

SECTION 8.27. Reenacts and amends Section 21.041, Education Code, as follows:

Sec. 21.041. ABSENCES. (a) Requires a student to be in attendance for at least 90 percent of the days a class is offered to receive credit for the class.

(b) Makes conforming changes.

SECTION 8.28. Amends Sections 21.458(a), (b), (e), and (f), Education Code, as follows:

(a) Requires a school that operates on a two-semester system to offer the required bilingual or special language summer program for children entering kindergarten or first grade during

the period school is recessed for the summer. Requires a school that operates on any other system to offer 120 hours of instruction on a schedule the board of trustees of the district establishes.

(b) Requires the program to be offered for one-half day for eight weeks in a district that operates on a two-semester system.

(e) and (f) Make nonsubstantive changes.

SECTION 8.29. Amends Section 21.3011(b), Education Code, to provide that a student may be removed from class and expelled without resort to an alternative education program if the student engages in conduct that contains the elements of the offense of public lewdness under the Penal Code.

SECTION 8.30. Amends Article 6252-17a, V.T.C.S., to make a nonsubstantive change.

SECTION 8.31. Amends Section 5(a), Article 6687b, V.T.C.S., to provide that the provisions of this subsection relating to certification of a bus driver do not apply to the operation of a vehicle owned by a public institution of higher education to transport students of a school district that operates within that institution if certain conditions are met.

SECTION 8.32. Repeals the following provisions of the Education Code:

- Sec. 21.008 (Semester System);
- Sec. 21.132 (Petition and Election);
- Sec. 21.133 (Establishment);
- Sec. 21.134 (Subsequent Elections);
- Sec. 23.993 (Minimum ADA);
- Sec. 23.994 (Use Restricted); and
- Sec. 23.999 (Consolidation of County-Line Districts).

SECTION 8.33. Repeals the following provisions of the Education Code, effective September 1, 1995:

- Title 1 (General Provisions) and
- Title 2 (Public Schools) except Chapters 16, 20, and 36.

SECTION 8.34. Requires the commissioner, not later than June 1, 1994, to submit to the legislature a proposed revision of Education Code provisions repealed by Section 8.33 of this article.

SECTION 8.35. Abolishes the Central Education Agency effective September 1, 1995.

SECTION 8.36. Effective date, this article: September 1, 1993.

## ARTICLE 9

SECTION 9.01. (a) Effective date: upon passage, except as otherwise provided.

(b) Provides that this Act applies to taxes imposed on or after January 1, 1993.

SECTION 9.02. Emergency clause.